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Power Shortage Halts Pacific Northwest Development

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The growth of large industries in the Pacific Northwest has stopped. The necessary electric power is no longer available. Industrial expansion cannot be resumed until 1954 or 1955 or 1956 or later, depending on the time of completion of new dams by the Federal government. The use of low-cost electric power to create new jobs for our expanding labor force must wait for another day. We will have to look to the old standbys of lumbering and agriculture for job expansion and hope that we are spared from a general business recession.

Through 100 years of economic activity, Oregon has presented a surprisingly uniform pattern of industrial activity. Even today, our people are still largely occupied in the traditional activity of exporting our raw materials—agricultural and forest. Most of our manufacturing continues to be confined to the early stages of processing—we leave most of the finishing and marketing of the final product to others. The reasons for the persistence of this pattern of economic activity are not hard to find.

(1) A sparse population, which means a small local market for manufactured goods.

(2) Great distance to large population centers and markets.

(3) A freight-rate structure, designed years ago in the interest of the *distributor* of manufactured products and the *exporter* of raw materials (reasonable rates up to 400 miles from Portland, prohibitive beyond that range and into the Middle West market), but completely unadapted to the small manufacturer.

(4) The absence until recently, within the region or within economical shipping distance, of certain commonly used industrial raw materials, such as high-quality industrial limestone, sulphuric acid, coking-quality coal, etc.

(5) High cost of industrial fuels, because of the absence within the region of high-quality coal, oil, or natural gas.

During the last ten years an interesting combination of events has conspired to break the "log jam" in Pacific Northwest economic development—and Federal hydroelectric power has proved to be the "key log." Electric power, available in large blocks and at a price attractive to industry, was responsible for the first major alteration in our traditional economic pattern, and in the course of a few

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Method of Forecasting Business Cycle Trends Outlined

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This article considers primarily the problems of business-*cycle* forecasting, as opposed to long-term growth forecasting or seasonal forecasting. The character of the business cycle has usually presented greater difficulties for the forecaster than the other two types, and the results are less certain; but there is a great need for this type of information.

Today as never before the economic interdependence of the United States as a whole is apparent. Whatever affects the national economy has greater and greater significance for the individual businessman. The local baker views with apprehension the fluctuations of the Chicago grain market 2,000 miles away, and the lumber wholesaler eagerly seeks interpretation of the newest Congressional action on housing.

It is usually no longer enough for a progressive businessman to commit himself to a sales and purchasing budget by looking at last year's figures, taking a quick glance at the bulletin board of the local chamber of commerce office, and pinning the final estimates on pious hopes for the future. If he is to succeed in a period of increasingly rigid competition, as the buyers' market returns, he must make some effort beyond this. Only at the risk of serious errors—perhaps fatal errors—can he ignore the trend of national income, the level of total employment, the rise or fall in personal savings, or the rate of business investment in durables or in inventories.

Forecasting is possible. It is certain that events today had their causes or origins in events in the past. Likewise, today's happenings are the logical determinants of what tomorrow will be like. The problem is not insolvable, in theory at least. But it remains to discover just what is the cause-and-effect relation between present and future trends.

The forecaster, like the doctor, has to experiment with the known medicines before a truly successful treatment can be developed. Until the "wonder drug" is discovered, he has to be satisfied with less-than-perfect success. If the art of forecasting can produce good results 60 per cent of the time, it is worthwhile. Certainly a gambler with 60 per cent odds for winning would never cease playing. And, if the businessman were told that there was a 60 per cent chance that the trend of national income would be downward in the near future, and were told no more than that, he would be far better off than if he hoped the trend were upward and made expansion plans accordingly.

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Method of Forecasting Business Cycle Trends Outlined

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Is there some plan whereby the executive can relate overall economic phenomena to his own business and so avoid some of the errors in judgment, bias, or lack of thoroughness that have characterized some past forecasts?

Half of any problem is setting up the method, and the other half is common sense in following out the method and interpreting the result. A method of business-cycle forecasting, practicable for any analyst with a fair knowledge of statistics and economics, may be outlined as follows:

(1) The current national business situation is examined to determine in which stage of the business cycle we are at present.

(2) Three or four forecasts made by others are examined.

(3) The analyst isolates and weighs the various reinforcing and limiting forces in the current situation—that is, those forces tending to make business activity move up or down.

(4) Analogy between the present situation and past business cycles is made, to determine points of similarity and dissimilarity.

(5) Standard business "barometers," statistical series that lead general business activity, are examined.

(6) The information and analysis obtained thus far is summarized and given quantitative expression.

(7) The analyst relates his results to the specific business in which he is interested.

Each of these seven stages are explained below:

(1) To be able to forecast cycles, one must know first of all from what base he is operating, from what point in the cycle he is trying to forecast. The problem is often not simple. There have been several times in the past when dips in the cycle went by unnoticed and were called regular cycles only through later analysis. It is seldom possible to obtain universal agreement on this point. A survey of the following types of relevant information should be made, determining by inspection whether the trend is up, down, or about level, as compared to previous positions:

(a) The current positions of general business indicators, such as the Federal Reserve Index of Industrial Production, Barron's Business Gauge, Gross National Product, or National Income figures, both from the *Survey of Current Business.*

(b) Production of durable and nondurable goods in recent months.

(c) Recent trends in inventory accumulation.

(d) Measures of business confidence, such as Dun's Failure Index, stock prices, new offerings of securities, and new business incorporations.

(e) Price behavior, as measured by wholesale price indexes, consumer price indexes, wages, interest rates, and retail-store prices.

(f) Domestic trade, as revealed by department-store sales, and sales of durable and nondurable goods.

(g) Consumer credit statistics.

(h) Bank lending.

Most of the above types of information can be found in publications such as the *Survey of Current Business,* the *Cleveland Trust Bulletin, Federal Reserve Bulletin, Barron's Magazine, Journal of Commerce, New York Times, Standard and Poor's "Outlook," U. S. News,* and others.

(2) While looking at the opinions of others may appear to prejudice one's own findings, it is still rather helpful to know what others in the field are thinking, to evaluate their arguments, perhaps question their facts, and, later on, to judge one's own findings in that light.

A helpful approach is to summarize briefly each individual forecaster's chief conclusion, enumerate his supporting reasons, and appraise his findings with respect to lack of bias, method, and thoroughness. If he has few or no supporting reasons, perhaps his report should be discarded, in favor of more objective treatment. A single consensus of the various forecasts can be drawn, if there is any consensus.

It is useful to classify the various factors offered in the reports as causes, or results, of business activity according to whether they tend to reinforce or to limit the present trends. For example, a possible tax reduction might be listed as a limiting factor—that is, limiting the present downward trend in the cycle (assuming that there is such a trend, as determined in step one) by providing more money in the hands of consumers to buy goods. A few months ago, however, a tax reduction would have been considered reinforcing (since the peak of the boom had not been reached) because it would have provided more money in circulation to feed the inflation.

Something should be said concerning the choice of good forecasts. Business publications are full of articles written by individuals who make little or no attempt at objectivity and who merely expound their own views, or the views of those whose axes they are grinding. The opinions of leaders in the field of business and economics should be sought, but not taken as "gospel." The criteria should be how well grounded the reports seem.

(3) It is perhaps tempting to halt the analysis with step two. To do so would be to follow the footsteps of most prophets, who merely reword others' opinions and make the same mistakes. A further investigation is suggested—usually known as cross-cut analysis.

Cross-cut anlaysis involves the measuring and appraisal

of the various limiting and reinforcing factors in the outlook. The first step is to isolate these factors. Perhaps the previous studies of forecasts have given clues. Generally there is little difficulty in determining what the factors are —the problem is to appraise them as to their effect, whether one will outweigh another, etc.

As an illustration, assume that the current business cycle appears to be turning down. Will the proposed tax reduction limit this tendency? If so, to what extent? First, will it affect business, or will it affect the low-income brackets the most? If it eases the tax load of business, will that result in very much increased spending by business? Or has business largely finished its plans for expansion? If so, will the money lie idle and result in unemployment? If the tax reduction affects the low-income groups, will this materially increase demand? If so, for what types of goods? And, incidentally, how do the products of the analyst's particular business fit in—will they experience an increased demand or is a decreased demand probable?

Of the reinforcing factors, is the current fall in commodity prices more significant to the business outlook as a whole than the fall in the rate of inventory accumulation? Which is more important to the individual business? And will the fall in prices be offset by government price supports, by defense spending, or by the European relief program? And so forth.

The method in this step, then, is to list the most important factors considered limiting, and those considered reinforcing, showing their positions graphically or statistically. Each factor is weighed, compared, analyzed; no attempt is made at this point to come to any general conclusion. Illustrations of limiting (or inflationary) factors today (assuming we are actually beginning on the downturn on the cycle) would be heavy government spending, ERP, possibility of a fourth wage round in some industries, the continued rise in consumer income, a vast store of credit and money, excellent corporate profits, and others. Examples of reinforcing, or deflationary, factors today would be the tightness in consumer purchasing power, increased savings (lowered rate of spending), falling off of business investment in plant, equipment, and inventories, and stock-market pessimism.

Some factors will have a mixed effect; it may be difficult to say that the influence will be in one direction or another. An example of this today would be the possible tax increase. A tax increase would serve to halt the inflationary tendencies in the economy, but it might go too far, since its dampening influence on business confidence may cause some expansion plans to be scrapped entirely, or reduced, thus causing serious unemployment. But insofar as the increased tax revenue would be spent for goods and services, demand would increase, and this is usually considered a good business sign.

(4) We can and should learn from history. The fourth step involves a study of past business cycles to determine points of similarity and dissimilarity between those and the current cycle.

The most obvious cycle with which to compare the present situation would be the 1921 depression. In what ways are the two alike? What conditions brought on the recession after the last war? Do the same conditions exist today? The 1921 recession is generally considered to have been an inventory recession. But businessmen's inventory policies are far different today from what they were then. Inventory accumulation is not considered out of line at the present time. There is evidence of cautious "hand to mouth" buying, to avoid getting caught with high-priced and unsalable merchandise.

Other points of dissimilarity could be pointed out, such as governmental policies today, the greater strength of labor, the strong position of the farm element, etc. The facts indicate that conditions are more dissimilar than similar. The value of making the analogy is not impaired, however, since valuable light is thrown on current problems by the very process of comparison. If nothing else, we learn that the maxim, "history always repeats itself," is not always borne out by the facts.

(5) Sometimes valuable clues as to what the future holds are obtained by studying business "barometers," statistical series that have been shown to lead general business activity by certain lengths of time. Three of the most reliable of these barometers are stock and bond prices, sensitive commodity prices, and indexes of building activity. The theory is that the turning points, up or down, of one or all of these series, will indicate about when the general indexes of business activity will turn up or down.

The general requirement for a reliable series is not only that it can be shown to have led in the past, but also that there is some reasonable, logical explanation for such behavior. For example, stock prices should lead because they tend to be a result of trading among men who often have advance information as to future corporation policies which may foretell a rise or decline in total business after some delay. But the relationship is very indefinite, especially as to the time of the turning point, and can give only a general indication as to what the future holds. When several of these barometers appear to concur, however, more reliance can be placed on the results.

(6) By this time the analyst will have collected a great many ideas and much information about the business situation. This information, to be really useful, should be summarized and given concrete expression.

One method of giving quantitative expression to the findings is known as the national income approach, which is derived from the broader tool, gross national product, which measures the output of the economy in terms of factor costs of production. Figures for 1948, third quarter, are shown below:

GROSS NATIONAL PRODUCT
(billions)

	1948-3Q	1949 Forecast 1Q	2Q	3Q
Gross national product	$255.9			
Personal consumption expenditures	178.5			
Durable goods	23.6			
Nondurable goods	102.9			
Services	51.9			
Gross private domestic investment	39.0			
New construction	14.8			
Residential nonfarm	7.1			
Other	7.7			
Producers durables	21.4			
Business inventories	2.8			
Net foreign investment	.7			
Government purchases of goods and services	37.7			
Federal	22.6			
State and local	15.5*			

* There are minor statistical discrepancies evident that are unadjusted for in this exhibit.

The analyst lists the GNP and its components as above, and then attempts to forecast their position for, say, three or four quarters ahead, about as far ahead as is reasonably possible. He approaches this task with reference to the material he has already collected, estimating about the

extent to which he considers each item will change.

For example, a forecast of governmental expenditure can be obtained from examination of the budgets for the coming year. A forecast of business investment will be made on the basis of, among other things, findings as to the state of business confidence, the expansion plans of business (plans must precede the actual construction), the supply price of capital, the tax outlook, etc.

After the individual components are separately forecast, they are added up to get an estimate of the total behavior of the economy—gross national product. All the analysis preceding it has been boiled down into one figure. Interpretations of that figure will, of course, depend on how it was obtained. If a fall of $10 billion in GNP is forecast for 1949, third quarter, certain results tend to follow. The analyst knows that this will mean some unemployment. He knows it will mean a tighter market for goods. He may perhaps expect "compensating" expenditures by government to be made. How all this affects his business, which is an individual business located in a certain part of the country, is the subject of the next and final step.

(7) In arriving at his final forecast of gross national product, the analyst is aware, of course, that the behavior of the total economy has a varying degree of effect on his particular business. If he is in the lumber business, and in the course of his investigation he has determined that public housing on a large scale is about to be undertaken, this information may be of much more concern to him than the information that the confidence of most businessmen is at low ebb, or that private consumption of nondurables is falling.

He realizes, however, that it is difficult to segregate any one item and say definitely that its behavior has no effect on his business, or at best a very remote effect. The economy is too closely interrelated in this day and age to make this certain. He is interested, therefore, in his GNP forecast and its components, as well as those particular findings that have a direct, immediate, and important effect on his particular business.

The method proposed above is projected only in its boldest outlines. Complete elaboration would involve a full-fledged forecast that would tax the patience of the reader and is beyond the space available.

The character of the method is flexibility incarnate, and should be so used. It is designed to aid the individual businessman in visualizing, insofar as possible with present analytical tools, the facts which explain the often unpredictable behavior of our economic engine, in the hope that enough will be learned to not only keep the motor in better tune, but to keep it from breaking down entirely. The very knowledge of the "unknown" removes the mystery and paves the way for progressive and courageous behavior of the free element in a world over half unfree.

The Department of Commerce reports the following data on income payments to individuals in Oregon:

	1940	*1946*	*1947*
Total	$633,000,000	$1,753,000,000	$1,936,000,000
Per capita	579	1,220	1,253
Percent of state income payments derived from:			
Agriculture	10.3%	13.5%	11.7%
Manufacturing payrolls	18.4	18.5	20.7
Trade & services	27.4	29.2	29.5
Government payments	13.0	14.9	13.7
All other sources	30.9	23.9	24.4

Power Shortage Halts Pacific Northwest Development

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years has skyrocketed this region into national prominence as the chief production center for aluminum.

The war had several important economic effects on the region. It multiplied the demand for aluminum. It hastened the introduction of generators at Bonneville and Grand Coulee dams to provide energy for strategically important aluminum. It brought other kilowatt-hungry industries to this region—calcium carbide, ferro-alloys, chlorates, etc. It brought thousands of new people to work in war industries. These people fooled the experts by staying on in Oregon and by urging friends and relatives to join them. Thus Oregon and the Pacific Northwest have suddenly become one of the fastest-growing market areas in the country.

Most people are aware of the fact that Oregon has led every state in the Union in the rate of population growth since 1940—nearly 50 per cent while the national population grew by about 11 per cent. But relatively few seem to be aware of the fact that most of this growth took place, *not* during the war years with their attraction of shipyard employment, but rather during the postwar years at the same time that 200,000 discharged shipyard workers had to find their way back into peacetime jobs. Since 1945 Oregon's population has grown by 24 per cent—during this same time the population of California (always a leader in population growth) grew by about 11 per cent.

But, as of this writing, Oregon also holds another record, one of the highest rates of unemployment in the nation—about 14 per cent of the civilian labor force unemployed, compared to 5 per cent for the nation as a whole. This high rate of unemployment can be explained partly by the rapid influx of new people; but of course the principal reason is the fact that so much of our employment is related to the lumber industry, now apparently in the midst of a readjustment. Many thoughtful people are fearful that Oregon, and the Pacific Northwest generally, may find itself in a particularly vulnerable position in the event of any business decline. It is the old problem of having too many of our eggs in one basket.

In spite of general business uncertainties, the electrochemical and electrometallurgical industries continue to make plans for expansion. These are the glamor boys of modern industry. Even in terms of employment (not to mention capital invested or kilowatt hours used) they have been growing twice as rapidly as all other manufacturing, since 1939. They could easily be the answer to our regional problem of overspecialization and rapid resource liquidation.

Because of their requirement of large quantities of electric power, they must in the long run find their way to the Pacific Northwest, because this is the only area with a sufficient potential of hydroelectric energy.

But what about the short run, the outlook for the next few years? Can we take advantage of the plans for expansion on the part of the electroprocess industries? Unfortunately, we cannot. The Federal government has been forced to postpone all new contracts for power, including power for proposed new industrial plants. There is no additional firm power available and will not be until the

completion of additional dams on the Columbia. Already, several electroprocess plants requesting firm-power contracts have been told that they must wait until 1954 or 1955. It is estimated that their combined investment would be in the neighborhood of $25,000,000, and that they would supply jobs for over 25,000 men. Some will be forced, by competitive factors, to carry out their plans for expansion in other areas where the cost of power may be higher but where it will be available sooner, because it can be generated in quickly constructed steam plants.

Not only has the power shortage caused us to miss the boat in acquiring new electroprocess industries, but other more traditional types of activity are feeling the pinch. Lumber mills which would prefer to utilize their wood waste in the manufacture of hard board, pulp, or other products must continue to burn this waste to generate power. Other mills will find it necessary to install expensive Diesel equipment which will increase costs during the period of a falling market. Not only is the Federal government unable to contract for any additional loads for large industrial customers; but retail distributors of power in the region have agree to make all new contracts for loads above 500 kilowatts subject to the review of a coordinating committee of the Northwest Utilities Conference Committee.

This situation will probably become progressively worse during the next few years. The first definite relief will be the installation of the first generators at McNary Dam in 1954. And, if the growth of normal domestic and commercial loads continues at its present rate, there may be little or no additional power to sell to industry, even in 1954.

Thus, the Pacific Northwest, possessing an irresistible attraction for a large and growing segment of industry and faced with perhaps the most serious unemployment outlook in the nation, finds itself unable to capitalize on this basic natural advantage. Whereas we might have been able to compensate for the developing unemployment in the lumber industry by the rapid development of industries utilizing electric power—actually we are forced to undersell ourselves and hope that whatever business recession may take place will not be too severe.

We have one consolation. Our problem is one that we can do something about. We do not need to wait for the providential discovery of coal, oil, gas, or some other natural resource to foster regional prosperity. We can create a perpetually renewable energy base from 25 million kilowatt potential of the Columbia River as soon as we are all sufficiently aware of its importance.

The Columbia Basin, site of the greatest hydroelectric power development program on the American continent, has a particular interest in electrical equipment, both industrial and for domestic use. It is therefore of particular interest to note that, in spite of continued shortages in a few lines, sales of electrical-goods wholesalers during 1948 set an all-time record, advancing 14 per cent above 1947, the previous high sales year. December sales for the trade, also a new monthly record, were up 5 and 16 per cent over December 1947 and November 1948, respectively. Increases ranged from 7 per cent in New England to 21 per cent or more in the West South Central and Mountain areas.

Construction Outlook for 1949

Total new construction in 1949 is expected to reach $18.75 billion, setting a new record dollar value for construction activity. The expected total, a joint estimate of the U. S. Department of Commerce and the Department of Labor, represents an increase of more than 5 per cent over the estimated $17.8 billion figure for 1948. The physical volume of construction in 1949, however, will apparently be about the same as in 1948, and will thus remain appreciably below previous records for the physical volume of new construction set in the 1920s and in 1942.

For new private construction the 1949 outlook is for a dollar value of $13.75 billion, substantially the same as the total for 1948. New public construction in 1949 is estimated at $5 billion, an increase of almost $1 billion over 1948.

Private nonfarm residential construction will continue to be the largest single component of new construction and, at $6.5 billion, is expected to constitute about 35 per cent of the total. This estimate represents, however, a decline of more than 8 per cent from the figure of $7.1 billion for 1948.

Aside from residential building, most of the principal components of new private construction are expected to increase. Private nonresidential building as a whole is estimated at just over $4 billion in 1949, an increase of 12 per cent over the total for 1948. This increase in total private nonresidential building results from an estimated 15 per cent increase in commercial construction (warehouses, office and loft buildings, and stores, restaurants, and garages) and a 35 per cent increase in "all other" private nonresidential building, which includes private educational buildings, churches, hospitals, and social and recreational buildings. These expected gains are only partially offset by an expected 6 per cent decrease in industrial construction. Privately owned public utility construction is expected to reach $2.75 billion, a rise of 8 per cent.

Almost half of the increase in public construction is due to an anticipated 42 per cent increase in public nonresidential building, to a total of $1,375 million—an increase due largely to substantial advances in hospital and institutional buildings and in educational construction. Other important increases in public construction are expected to appear in conservation and development, up 25 per cent to $750 million in 1949; highway construction, up 10 per cent to $1,700 million; and sewer and water construction, up 22 per cent to a total of $550 million.

Wood-Pulp Production in 1949

Production of wood pulp in the United States set a new all-time record of 12,872,000 tons in 1948, according to a preliminary report issued by the Bureau of the Census. U. S. Department of Commerce. The 1948 figure is 926,000 tons above the previous high set in 1947. The sulphate grades, which showed an increase of 657,000 tons, accounted for the greatest part of the gain, reflecting a higher rate of production in existing capacity and the addition of new capacity during the year.

The consumption of wood pulp in the manufacture of paper and board, 14,375,000 tons, also set a new record during the past year, exceeding that of 1947 by 1,089,000 tons. An increase in the use of sulphate grades, comparable

to that shown in production, again reflects the start up of new integrated operations in this section of the industry.

Consumption of fibrous materials other than wood pulp in paper and board manufacture during 1948, 9,036,000 tons, was 462,000 tons below the comparable figure for 1947. The decline of 425,000 tons in the use of waste paper, largely in the manufacture of paperboard, indicates the current shift from waste paper to kraft pulp in the manufacture of container boards.

Pulpwood consumption, measured on a rough-wood basis, amounted to 21,189,000 cords in 1948, as compared to 19,714,000 cords in 1947.

CURRENT BUSINESS TRENDS IN OREGON

Employment. Unemployment rose to a peak of 91,200 during the first part of March 1949. However, the number without work gradually decreased during the month. Milder weather since mid-February has resulted in opening up new jobs, especially in agriculture, lumbering, and trade.

In mid-February the wood-products industry was employing only about 55,000, compared to last summer's all-time peak of 90,000. The volume of construction employment in February was barely half that of September 1948, and in most other lines, except for textile and paper manufacturing, it was lower.

The Oregon State Unemployment Compensation Commission estimates that mid-April employment will be 5 per cent over its February low, and by mid-June 8 per cent. In construction, the increase may be as much as 50 per cent by early summer; a gain of about 28 per cent is anticipated in logging and lumber.

Lumber. Douglas-fir output still reflects the effects of the most severe winter in over half a century. February production was but 92.6 per cent of the 1943-48 average for that month. The West Coast Lumbermen's Association reports that logging will be resumed in substantial volume in April, deep snow having delayed logging camp openings several weeks beyond normal. Whether or not depleted cold decks and log inventories will last until spring logging gets under way is uncertain. Unfilled orders are increasing and stocks diminishing slightly.

Department Store Sales. Portland department-store sales are off substantially. The following table gives percentage changes in the value of department-store sales compared with the corresponding period a year ago. Sales in other Pacific Coast cities are added to show trends in neighboring metropolises.

City	Week Ending Mar. 12, 1949	Calendar Year to Mar. 12, 1949
Portland	−10	−9
Los Angeles	−11	−3
San Diego	− 6	−1
Oakland	−13	−4
San Francisco	− 3	+1
Seattle	0	−3
Spokane	− 7	−9
United States	− 8	Not available

Consumers' Prices. The Bureau of Labor Statistics reports consumers' price index readings at Portland for January 15, 1949.

Group	Index (1935-39=100)	Per cent Change from Oct. 15, '48 to Jan. 15, '49	Per cent Change from Jan. 15, '48 to Jan. 15, '49	Per cent Change from Aug. 15, '39 to Jan. 15, '49
All items	178.6	−0.8	+2.4	+ 78.4
Food	224.2	−1.5	+0.5	+133.3
Apparel	194.9	−3.0	+2.6	+ 93.5
Rent	125.8	+1.0	+3.0	+ 18.1
Gas & electricity	95.6	+0.6	+2.7	− 3.4
Other fuels	172.6	+1.5	+5.9	+ 76.7
House furnishings	187.3	−1.7	+1.6	+ 87.1
Miscellaneous	156.5	+0.4	+5.0	+ 54.0

BANK DEBITS

Bank debits represent the dollar value of the checks drawn against individual deposits. Approximately 90 per cent of all goods, property, and services is paid for by check. Bank debits are regarded as indicators of the general trend of business, though their value for this purpose may be impaired by substantial changes in the level of prices. The Bureau of Business Research collects bank debits from 104 banks and branches monthly. On occasion, the totals for the same month in different issues of the *Review* are not directly comparable because of necessary adjustments in basic data.

Marketing Districts	Number of Banks Reporting	Debits Jan. 1949	Debits Dec. 1948	Debits Jan. 1948	Jan. 1949 compared with Dec. 1948	Jan. 1949 compared with Jan. 1948
Oregon	94	$882,778,293	$980,087,236	$952,335,184	− 9.93%	− 7.31%
Portland (Portland, Hillsboro, Oregon City, etc.)	27	553,038,541	598,470,089	598,700,934	− 7.60	− 7.63
Lower Willamette Valley (Salem, McMinnville, etc.)	10	69,506,122	70,608,532	72,651,716	− 1.56	− 4.33
Upper Willamette Valley (Albany, Corvallis, Eugene, etc.)	12	78,434,028	92,673,155	81,379,575	−15.36	− 3.38
North Oregon Coast (Astoria, Tillamook, etc.)	5	18,507,431	21,819,937	22,092,701	−15.18	−16.23
Douglas, Coos Bay	5	21,128,574	30,980,525	23,981,333	−31.80	−11.90
Southern Oregon (Ashland, Medford, Grants Pass)	5	33,312,544	40,655,927	36,860,356	−18.06	− 9.63
Upper Columbia River (The Dalles, Hood River, etc.)	7	17,419,284	19,418,965	17,998,031	−10.30	− 3.22
Pendleton area	6	21,611,672	23,313,492	20,734,046	− 7.30	+ 4.23
Central Oregon (Bend, Prineville, Redmond)	4	15,508,274	17,688,675	16,589,377	−12.33	− 6.52
Klamath Falls, Lakeview area	4	26,570,245	31,943,799	30,517,259	−16.83	−12.94
Baker, La Grande area	6	17,495,630	20,024,572	19,286,775	−12.63	− 9.29
Burns, Ontario, Nyssa	3	10,245,948	12,389,568	11,743,081	−17.30	−12.76

BUILDING PERMITS

Building permits give an indication of building operations planned rather than actual construction under way. Care must be taken in interpreting these data to allow for the lag which may elapse between the issuance of the permit and the beginning of actual construction. The data have been collected by the Bureau of Business Research.

	New Residential Jan. 1949	New Nonresidential Jan. 1949	Additions, Alterations and Repairs Jan. 1949	Totals Jan. 1949	Totals Jan. 1948	Totals Dec. 1948
Astoria	$ 5,000	$ 3,800	$ 12,950	$ 21,750	$ 45,195	$ 28,112
Bend	——	——	3,700	3,700	90,498	20,400
Coos Bay	17,500	20,000	6,300	43,800	196,420	5,000
Corvallis	——	500	4,617	5,117	25,150	20,225
Eugene	83,500	70,800	29,085	183,385	151,603	120,360
Grants Pass	26,763	12,148	3,975	42,886	107,737	294,060
Klamath Falls	——	——	6,450	6,450	110,487	4,060
La Grande	——	——	50	50	1,670	1,725
Medford	58,190	4,900	14,350	77,440	313,450	56,950
Oregon City	9,000	——	200	9,200	15,250	24,500
Pendleton	8,448	——	103,950	112,398	56,250	22,525
Portland	1,024,800	292,915	500,880	1,818,595	4,278,453	1,883,365
The Dalles	7,300	——	1,150	8,450	29,370	7,700
19 other communities	47,500	57,590	34,700	139,790	649,853	323,360
Totals	$1,288,001	$ 462,653	$ 722,357	$2,473,011	$6,071,388	$2,812,342